



Gulf of Mexico Reef Fish Quota Bank

2020 Annual Meeting

Hosted by the
Gulf of Mexico Reef Fish Shareholders' Alliance
December 4, 2020 / virtual
Annual Meeting Summary

EXECUTIVE SUMMARY

Ten fishermen, one representative from Catch Together, and two Shareholders' Alliance staff members convened for the 5th Quota Bank Annual Meeting. Due to the COVID-19 pandemic, the meeting was held virtually via Zoom on December 4, 2020. This group came together to act as a *de facto* public "Advisory Committee" to assess and evaluate the Gulf of Mexico Reef Fish Quota Bank (Quota Bank), discuss threats and opportunities, and provide recommendations for the Gulf of Mexico Reef Fish Shareholders' Alliance (Shareholders' Alliance) Board of Directors to consider for improvements to the program in 2021. They met from approximately 10 am to 12:00 pm EDT.

Key themes that arose throughout the meeting included:

- The program is generally operating smoothly, and members appreciate the opportunity to work with staff to improve the program.
- The Quota Bank offers a valuable service to fishermen.
- Participation in fishery regulator meetings is critical and should be prioritized.
- While the pandemic has presented challenges for fishermen, the Quota Bank has been able to respond and support fishermen.

MEETING PURPOSE

The goal of this meeting was to provide a platform for discussion and evaluation of the Quota Bank, and to provide recommendations for improvements. We set out to accomplish this through the following strategies:

1. Virtually bring together Quota Bank members, potential members, staff and fishermen in a public, transparent, and constructive setting.
2. Provide necessary context for the development and operations of the Quota Bank.
3. Evaluate the performance of the Quota Bank.
4. Plan for the future by providing recommendations to the Shareholders' Alliance Board of Directors.

ATTENDEES

The following individuals attended the meeting:

Name	Affiliation	Location
Taylor Borel	Quota Bank Member	Galveston, TX
Ryan Bradley	Quota Bank Member	Pass Christian, MS
Eric Brazer	Shareholders' Alliance	Key West, Florida
Aaron Mays	Quota Bank Member	Beverly Hills, FL
Eric McLaughlin	Quota Bank Member	Goodland, FL
Lance Nacio	Quota Bank Member	Montegut, Louisiana
Paul Parker	Catch Together	Concord, MA
Ashford Rosenberg	Shareholders' Alliance	New Orleans, LA
Nick Ruland	Quota Bank Member	Ft. Myers, FL
Eric Schmidt	Quota Bank Member	Ft. Myers, FL
Steve Smith	Quota Bank Member	Dunnellon, FL
Eric and Anna Woods	Quota Bank Member	Perry, Florida
Jim and Patty Zurbrick	Quota Bank Member	Steinhatchee, FL

MEETING SUMMARY

I. INTRODUCTIONS AND PRIORITIES

Eric initiated the meeting at 10:15 am EDT. Meeting participants introduced themselves and provided some background about their participation and interest level in the Gulf of Mexico Reef Fish Quota Bank (Quota Bank). All participants expressed that the Quota Bank plays an important role in their businesses by providing access to red snapper allocation. Two members identified themselves as newer entrants. The remaining eight utilized Quota Bank allocation to address red snapper discards.

The meeting purpose was identified (see above) and briefly discussed, with Eric informing the group that they would be acting as a *de facto* public “Advisory Committee” (Committee) to the Shareholders’ Alliance Board of Directors (Board) as the Board reviewed and determined whether or not to make changes to the program for 2021.

Eric asked that the Committee consider the following questions to help guide the meeting:

- How do the program elements support the program vision, mission, goals, and objectives?
- How to we build and promote a transparent program?
- Are there any changes that need to be made to the program to make it more streamlined in 2021?

The Committee then reviewed the proposed agenda and approved it by consensus.

II. HISTORY, PURPOSE AND NEED

Eric began the discussion by explaining a brief history of the Quota Bank and its evolution since it started. The Quota Bank was launched in 2015 as a bycatch reduction program and now has the added goal of supporting the next generation of commercial fishermen. He then discussed the Quota Bank's Vision and Mission statements, and explained that every decision made for the Quota Bank is tied back to these statements.

- **Vision:** *The Reef Fish Quota Bank is a replicable, financially solvent program that encourages fishery leadership, promotes sustainable fishing practices, and supports the next generation of fishermen.*
- **Mission:** *The Reef Fish Quota Bank leases fishery allocations to qualified members to reduce wasteful discards and improve economic viability of fishing businesses. We help give fishermen a voice in the regulatory process and position them to solve fishery problems.*

Eric then notified the participants that in 2019, the Quota Bank worked with Catch Together to purchase 50,000 pounds of red snapper Individual Fishing Quota (IFQ) shares. This, combined with shares donated to the Quota Bank allowed for a total of nearly 75,000 to be available in 2020.

This was followed by a discussion of the conservation, social, economic, management and operations goals and objectives of the Quota Bank.

- **Conservation:**
 - Red snapper discards and discard mortality are reduced.
- **Social:**
 - The next generation of reef fish fishermen are supported.
- **Economic:**
 - Reef fish businesses experience improved profitability.
- **Management:**
 - Fishermen are active in improving the regulatory process (priority)
- **Operations:**
 - A fiscally-healthy, defensible, and replicable model is developed.

III. PROGRAM OPERATIONS

Eric then presented the various components of the existing (2020) Quota Bank to the Committee for discussion and feedback.

- **Gear Requirements**
 - Existing Policy
 - *Members agree to use bandits, handgear, bottom longlines, buoy gear, or spear for harvesting reef fish in the Gulf of Mexico in accordance with all applicable gear regulations.*
 - *Applications will be ranked by gear type (among other criteria) as follows:*
 - *Tier I – bottom longline (highest priority for allocation)*
 - *Tier II – bandit/rod and reel/handgear*
 - *Tier III – spear (lowest priority for allocation)*

- Committee Recommendation
 - To keep the current gear requirements for 2021.
- **Permit Requirements**
 - Existing Policy
 - *Members confirm that they own an active commercial Gulf of Mexico reef fish permit and are compliant with all applicable permit requirements.*
 - Committee Recommendation
 - To keep the current permit requirements for 2021.
- **IFQ Account Requirements**
 - Existing Policy
 - *Members confirm that they maintain an active and compliant IFQ account with NMFS*
 - Committee Recommendation
 - To keep the current IFQ Account requirements for 2021.
- **Best Practices**
 - Existing Policy
 - *Members agree to adhere to all Quota Bank requirements.*
 - *Unless otherwise specified, Members agree to use red snapper allocation only for bycatch in the red grouper fishery, not for a targeted fishery.*
 - *Members agree to land and account for all legal-sized red snapper caught (i.e. no highgrading) to the extent possible.*
 - *Members agree to minimize the mortality of the released sublegal snapper to the extent possible using appropriate techniques or devices.*
 - *Members agree to carry approved rigged and ready-to-use descending devices and/or venting tools on my vessel and use them to reduce discard mortality when necessary.*
 - *Members agree that they cannot lease out any red snapper allocation they receive as part of my participation in the Quota Bank. Members understand that the Shareholders' Alliance has a Right of First Refusal on any unused Quota Bank allocation, not to exceed initial lease price.*
 - *Members agree to work with the Shareholders' Alliance to improve the Quota Bank as it continues to grow and Members commit to supporting the Quota Bank in public. Members agree to voice any concerns or questions they have directly with Quota Bank Staff in a timely, transparent, and constructive manner*
 - Committee Recommendation
 - To keep the current Best Practices for 2021.
- **Meeting Requirements**
 - Existing Policy
 - *Quota Bank members are required to attend two management/regulatory meetings per year. Management/Regulatory meetings include a Gulf Council meeting, Florida Fish and Wildlife Conservation Commission meeting, Louisiana Wildlife and Fisheries Commission Meeting, Mississippi Commission on Marine Resources meeting, or Washington DC fly-in with the Shareholders' Alliance.*
 - *Quota Bank members are also required to attend one Quota Bank meeting per year. Shareholders' Alliance staff will be hosting Quota Bank meetings as a breakfast or luncheon at each Gulf Council meeting, in addition to the annual Quota Bank meeting.*

1. Approval for a two-year commitment will require the member to identify Year 2 meetings to attend once the appropriate body publishes the meeting schedule.

- *In the future, two-year allocation commitments may require additional standards of performance.*
- *The Quota Bank will lease red snapper allocation to eligible participating members. The exact amount will be determined by the Board and will be based on requested amount, compliance with eligibility criteria and commitment to best practices, prioritization of gear and meeting attendance, allocation availability, and historical compliance with Quota Bank requirements (if applicable).*
- *Allocation will be leased in increments of no less than 1000 pounds.*
- *Allocation is first-come, first served. The Quota Bank will not hold allocation in reserve.*
- *It is the intent of the Quota Bank to lease out 100% of its annual allocation by October 15 each year.*
- *It is the intent of the Quota Bank to lease allocation to eligible members at or near fair market value using an objective and pre-determined formula (see Quota Bank website FAQ).*
- *The Board has determined that the Deputy Director should have sole responsibility and authority to determine the lease price for allocation without the involvement of the Board or its individual members in accordance with a formula that relies solely on publicly available data.*
- *The Deputy Director shall undertake this survey of publicly available sources of data without informing the Board of the timing or results of that survey. Until such time, Board members shall not inquire about or discuss the survey of publicly available sources of information, the results of that survey, or the resulting lease price with the Deputy Director, and the Deputy Director shall not discuss any such topics with any Board member, until at least 60 days have passed.*
- *Lease price may be subject to change over the course of the year in response to changes in market conditions.*
- *The Deputy Director shall notify the member of the lease price at the time the member is notified that they are approved for the program.*
- *Members will pay for allocation prior to receiving allocation from the Quota Bank.*
- *Members must lease 25% of their allocation within 2 weeks of approval and lease the remaining allocation by the end of the quarter in which they were approved.*
- *Payment is preferred by electronic means (i.e. electronic transfer, wire, or PayPal), however payment by check will be accepted. Member agrees to cover all costs associated payment (i.e. wire and PayPal fees, USPS charges).*
- *The Deputy Director will electronically transfer the appropriate amount of allocation to the member's IFQ account upon receipt of full payment. Allocation will not be transferred prior to a confirmation that the payment has been received.*
- *Allocation payment must be paid separately from membership payment.*

- *Members will not lease out any red snapper allocation they received as part of the Quota Bank program.*
 - *The Shareholders' Alliance has a Right of First Refusal on any unused allocation, not to exceed initial lease price.*
 - *The Member is responsible for preventing individual allocation overharvest.*
 - Committee Discussion and Recommendation
 - Eric summarized the application and allocation procedures for the Committee, including thoroughly explaining rationale and legal/operational structures in place to ensure the integrity and success of the Quota Bank.
 - The committee recommended maintaining the application and allocation policies for 2021.
- **Membership**
 - Existing Policy
 - *Members agree to participate in the Quota Bank for the 2020 fishing year unless they are applying for a two-year commitment. This agreement will be valid through December 31, 2020 (or December 31, 2021 if applicable).*
 - *Members agree to join the Shareholders' Alliance prior to receiving allocation from the Quota Bank. The purpose of this membership is to help cover the cost of operating the Quota Bank, to build capacity for the Shareholders' Alliance to influence policy decisions, and to enable the Quota Bank to continue to provide fishermen with access to red snapper allocation.*
 - *Membership dues to the Shareholders' Alliance for Quota Bank members in 2019 and beyond is \$0.20/lb. up to a maximum of \$1,000 (or 5,000 lbs.).*
 - *If you are already a Shareholders' Alliance member, your existing membership will be credited toward the \$0.20/lb. dues.*
 - *The Board believes it is valuable for a fisherman to have a business plan, and that solid business plans support successful businesses. To this end, the Quota Bank commits to working on providing this type of support and services to Quota Bank members over time. Future Quota Bank eligibility criteria may include measures of business and/or fiscal health.*
 - Committee Recommendation
 - To keep the current membership requirements for 2021.
- **Reporting**
 - Existing Policy
 - *Members will provide complete copies of federal trip tickets or vessel logbooks electronically to Quota Bank staff within 24 hours of landing or as soon thereafter as possible prior to the start of the next trip, whichever comes first. Failure to do so may impact the ability to lease additional allocation.*
 - *Members authorize the release of information to Quota Bank staff regarding the catch of various species of fish associated with the Participating Vessel.*
 - *Quota Bank staff will use these data to analyze catch and allocation usage. These data will be considered confidential and will not be shared with others individuals or entities, including the Shareholders' Alliance Board.*

- *Members are strongly encouraged to voluntarily and accurately report their red snapper discards to the Quota Bank on all trips. This may become a program requirement in the future.*
- Committee Discussion and Recommendation
 - Eric summarized the reporting requirements and asked the Committee if there were any additional analyses that could be conducted that would be helpful.
 - One committee member indicated that he had been selected by NOAA to fill out a Supplemental Discard and Gear Interaction Reports, and suggested that submitting those to the Quota Bank be required.
 - The committee discussed who and why that would be beneficial, and Ashford suggested that it could demonstrate that Quota Bank members have lower bycatch rates than the fishery as a whole.
 - The Committee did not support every Quota Bank member reporting discards because of burdens of doing so, but did support submitting them to the Quota Bank if a member is randomly selected by NOAA to submit the formal Supplemental Discard and Gear Interaction Reports.
 - **Recommendation:** To add a new requirement to Quota Bank reporting: if a Quota Bank member is selected by NOAA to submit Supplemental Discard and Gear Interaction Reports, they must also submit them to the Quota Bank.

IV. POLICY THREATS AND OPPORTUNITIES

Eric then briefly led a discussion about current fishery policy threats and opportunities, including:

- Federal threats and opportunities
 - Congressional composition and priorities
 - Presidential transition
 - Young Fishermen’s Development Act
 - Magnuson-Stevens Fishery Conservation and Management Act
- Regional threats and opportunities
 - Gulf Council seats
 - Amendment 36B
 - Red snapper reallocation
 - Red grouper recalibration and reallocation
 - The Great Red Snapper Count

V. 2019 QUOTA BANK SUCCESSES AND CHALLENGES

The Committee briefly discussed successes and challenges for the Quota Bank in 2019. Top successes included:

- Effective, efficient, and timely distribution of allocation.
- Receptiveness to recommendations for improvements.
- Changing the 2020 quarterly application deadlines.
- Staff professionalism and patience.

Primary challenges that were discussed included:

- The need for more allocation to lease.

VI. COMMITTEE RECOMMENDATIONS

Below is a list of Committee recommendations she had compiled throughout the meeting:

1. Maintain existing program requirements.
2. To add a new requirement to Quota Bank reporting: if a Quota Bank member is selected by NOAA to submit Supplemental Discard and Gear Interaction Reports, they must also submit them to the Quota Bank.

VII. NEXT STEPS

Eric identified the next steps coming out of this meeting:

1. Staff will compile their notes into a detailed meeting summary for internal purposes and an executive meeting summary for external purposes.
2. Staff will send these documents. The final version of these documents will be considered the official public record of the meeting.
3. The Board will review these documents and consider the Committee's recommendations when planning the 2021 Quota Bank program.
4. Once the Board has formalized the 2021 Quota Bank program, Staff will update the application and operations plan documents, and will make them available to the public.

Eric thanked the Committee for its work and concluded the meeting at approximately 12:00 pm EDT.

Gulf of Mexico Reef Fish Shareholders' Alliance

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